

OFFICE OF COURT ADMINISTRATION

PURCHASING & CONTRACT MANAGEMENT GUIDE



Draft: January 2017

Finance and Operations Division

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Part 1: Introduction

1.1 Purpose

The Office of Court Administration has developed this Purchasing and Contract Management Guide as required by [Texas Government Code §2261.256](#) to reflect the procurement policies, procedures, and practices of the Agency. This document is to be used in conjunction with the Texas Comptroller of Public Account's [Procurement Manual](#) and [Contract Management Guide](#). There may be policies and/or procedures contained in these publications that are not found in this document. These publications shall prevail in the event that this document contradicts mandatory requirements found therein.

The contents of this document are subject to change and are not intended in any way to grant any entitlement or right to any individual or entity. The contents do not constitute a basis for contesting any bid, offer or proposal made, granted, or awarded by the agency.

1.2 Definitions and Acronyms

Administrative Director (AD) – Agency head of the OCA.

Best Interests of the State – Most advantageous to the State in light of all relevant circumstances.

Bid – An offer to contract with the State submitted in response to a bid invitation issued by the SPD or OCA.

Blanket Order – A purchase order with a vendor for a specified time period, specific commodity, and an estimated quantity to be delivered as requested. Use of minimum call out quantities is advised for this type of order.

Centralized Accounting and Payroll/Personnel System (CAPPS) – Agency's internal accounting system provided by the CPA. This Guide does not fully address the use and application of CAPPS. A handbook for CAPPS is under construction.

Centralized Master Bidders List (CMBL) – A database of registered vendors with CPA who have provided contact information and information on goods or services they offer. The CMBL serves as the State's HUB directory as well.

Class and Item – The classification system found in the NIGP Commodity Book that identifies items and services.

Commodity – Supplies, materials, or equipment listed for NIGP commodity class and item numbers.

Commodity Book – List of NIGP class and items numbers maintained on the SPD website.

Delegated Purchase – A purchase made by an agency under the authority of SPD and subject to SPD rules and procedures.

Direct Publication – Purchases of publications directly from the publisher and considered sole source.

Electronic State Business Daily (ESBD) – State agencies making procurements exceeding \$25,000 without regard to source of funds will post the solicitation through the ESBD.

Emergency Purchase – A purchase of goods or services so critical that an agency will suffer financial or operational damage unless they are secured immediately.

Free on Board (FOB) – Refers to the point at which the title to goods transfers between supplier and purchaser at the FOB point and does not relate to the actual freight charges.

Historically Underutilized Business (HUB) – A business certified by CPA to meet the criteria prescribed in [Texas Government Code Chapter §2161](#) and [34 TAC Chapter 20, Subchapter D, Division 1](#).

Interagency Contract (IAC) – Understanding between two or more agencies as authorized by [Texas Government Code Chapter §771](#).

Invitation for Bids (IFB) – A written request for submission of a proposal response.

Managed Contract – A term contract that cannot be processed through the SPD's automated purchasing system. The PO is prepared by the agency, referencing the managed contract number, and pricing; and then submitted directly to the contractor.

Non Resident Bidder - A bidder whose principal place of business is not in Texas, but does not include a bidder whose majority owner or parent company has its principal place of business in Texas.

Office of Court Administration (OCA) – May also be referred to as “Agency” throughout this document.

Proprietary - Products or services manufactured or offered under exclusive rights of ownership, including rights under patent, copyright or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic which is not shared or provided by competing or similar products or services.

Protest Procedures – Procedures for resolving vendor protests relating to purchasing issues. OCA's procedures are posted [online](#).

Purchase Order - A document issued by a purchaser to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the agency. Sending a purchase order to a supplier constitutes a legal offer to buy products or services. Acceptance of a purchase order by a seller usually forms a one-off contract between the buyer and seller, so no contract exists until the purchase order is accepted.

Purchasing and Contract Management Guide (PCMG) – Serves as a procurement and contract management guide for OCA staff. May also be referred to as “Guide” throughout this document.

Request for Information (RFI) – A document to determine what products and services are potentially available in the marketplace to meet the agency's needs and to know the capability of a vendor in terms of offerings and strengths. RFIs are commonly used on major procurements, where a requirement could potentially be met through several alternate means. An RFI, however, is not a request for pricing, is not binding on either the agency or vendors, and may or may not lead to an RFP or RFO.

Request for Offer (RFO) – To be used in the purchase of Automated Information System (AIS) or Telecommunication procurements.

Request for Proposal (RFP) - The written solicitation document concerning goods or services the state intends to acquire by means of the competitive sealed proposal procedure. The procedure allows changes to be made after other proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Request for Qualifications (RFQ) – A solicitation document often distributed before initiation of the RFP process. It is used to gather vendor information from multiple companies and qualifications to generate a pool of prospects. This eases the RFP review process by preemptively short-listing candidates which meet the desired qualifications.

Set-aside Contract - Term often used when referring to the TIBH and Texas Correctional Industries (TCI) statutory purchasing programs.

Specification - A specification (often abbreviated spec) is an explicit set of requirements to be satisfied by a material, product, or service. Should a material, product or service fail to meet one or more of the applicable specifications, it may be referred to as being out of specification. Specs are a type of technical standard.

Statewide Procurement Division (SPD) – Division of the CPA responsible for managing the STCCP contract.

Texas Council for Purchasing from People with Disabilities (TCPPD) - An agency of the government of the State of Texas, dedicated to further the state's policy of encouraging and assisting persons with disabilities to achieve maximum personal independence by engaging in useful, productive employment activities.

Texas Comptroller of Public Accounts (CPA) – The chief steward of the state's finances, acting as tax collector, chief accountant, chief revenue estimator, and chief treasurer for all of state government, in addition to administering a number of other programs.

Texas Department of Criminal Justice (TDCJ) - Goods and services may be purchased directly from the Texas correctional Industries (TCI) without competitive bidding per the Texas Prison Made Goods Act, [Texas Government Code Chapter §497](#). TCI offers a catalogue of prison made goods.

Texas Resident Bidder - A bidder with its principal place of business in Texas, including a bidder whose majority owner or parent company has its principal place of business in Texas.

1.3 Procurement Authority

The SPD has the authority to regulate state agency purchasing. Vendors apply to SPD to be included on the state bid list. SPD awards state contracts to vendors on the state bid list for products and services routinely ordered by state agencies every year.

On behalf of state agencies, SPD purchases:

- Products that cost more than \$25,000 and are not on state contract; and
- Services valued at more than \$100,000 and are not on state contract.

SPD has delegated to state agencies the authority to purchase:

- Products, which cost \$25,000 and under and are not on state contract;
- Services valued at \$100,000 and under and are not on state contract;
- Emergency purchases, no dollar limit;
- Direct publication purchases;
- Fuel, oil, and grease purchases;
- Distributor purchases (repair parts purchased from a dealer or distributor);
- Professional and consulting services;
- Proprietary purchases;
- Perishable food items;
- Research purchases;
- Internal repair purchases; and
- Automated information systems/telecommunications commodities and services purchases.

State agencies also have delegated authority to make exempt purchases. These are purchases of certain commodities and services that are exempt by specific statute from the purchasing authority of the CPA, exempt from competitive bidding, or may be required by statute to be purchased through another specific purchasing method. CPA provides a chart that specifies common purchases which are exempt from CPA purchase requirements ([Exemptions Document Type 9](#)).

All delegated purchases are made through the FAO division of the OCA or by a designated purchaser within a division. The FAO functions as the contact between the SPD, the vendor, and other OCA staff for all purchases, delegated and non-delegated.

1.4 Execution Authority

Only the AD of OCA or his designee have the authority to accept an offer, bind the OCA to a contract, or commit agency funds. A contract may be considered void and unenforceable if signed by an unauthorized party.

Procurement staff listed in the annual *OCA Procurement Plan* may sign a purchase order (PO) if a requisition was properly submitted and approved in CAPPs. This in turn authorizes procurement staff to commit the funds as designees of the AD. All OCA procurement staff must be trained and certified to the level of the dollar amount of any PO they sign.

1.5 Overview of Contracts

A contract is a written document referring to promises or agreements for which the law establishes enforceable duties and remedies between a minimum of two parties. The following are considered contracts: an original Contract, Amendment, Modification, Extension, PO, PO Change Notice, IAC, Inter-local Agreement, Inter-cooperative Contract, and a Memorandum of Understanding.

A contract file will include any of the following documents: signed contract, amendments/change orders, request for proposal, request for offer, invitation to bid, requisition, PO, quotes, best and final offer, and corresponding attachments.

The contract management policies and procedures apply to all service and other contracts with an estimated value of \$25,000 or more. OCA's contract management process includes the full purview of

implementation and oversight. This includes, without limitation, receipt of work, services, and products, as well as monitoring contractor performance; issuing status reports; reviewing invoices; and similar types of review and responsibility.

1.6 Grants and Subgrants

Grants are administered via a contractual agreement between the agency and the party providing the service(s). [Texas Government Code Chapter §2261 Sec.002\(1\)](#) includes grants in its definition of a contract unless certain criteria are met.

Federal grants have specific contract requirements outlined in the *Federal Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments* (OMB Circular 102). Circular 102 establishes consistency and uniformity among federal agencies in the management of grants and cooperative agreements with state, local, and federally-recognized Indian tribal governments.

In addition to federal requirements, grants must be administered according to the state's *Uniform Grant Management Standards* (UGMS) published by the CPA. The UGMS addresses the following specific grant administration requirements:

- cost principles for state and local governments and other affected entities, including:
 - principles for determining allowable costs
 - selected items of costs
 - statewide and local center service cost allocation plans
 - public assistance cost allocation plans
 - state and local indirect cost rate proposals
- uniform state administrative requirements for grants and cooperative agreements, including:
 - general requirements
 - pre-award requirements
 - post-award requirements including financial administration, property, sub-awards, records and enforcement;
- after-the-grant requirements; and
- single audit requirements.

The CPA serves as the contact for grant administration issues and maintains UGMS. The CPA was assigned responsibility for grant management as of September 1, 2011, by the 82nd Legislature, when this function was moved from the Governor's Office to CPA's SPD.

1.7 Best Value Standard

The best value selection of a vendor is based on a determination of which proposal offers the best trade-off between price and performance, where quality is considered an integral performance factor. The award decision is based on multiple factors, including:

- total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a product or service over its projected lifetime;
- the evaluated technical merit of the vendor's proposal;
- the vendor's past performance; and

- the evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains compliance.

Others factors to consider in evaluating best value include:

- HUB vendor status or use of HUB subcontractors;
- Life cycle costs;
- Quality and reliability of goods and services;
- Delivery terms;
- Vendor's financial resources and ability to perform;
- Vendor's experience, capability or responsibility;
- Cost of training associated with a purchase; and
- Other factors relevant to determining the best value in the context of a particular purchase.

Per [Texas Government Code § 2155.0755](#) the Chief Financial Officer, as procurement director, will approve and sign all contracts that are required to use best value standard, document the best value standards, and acknowledge in writing that the Agency complied with OCA's Guide and the CPA's *Contract Management Guide*.

1.8 Statement of Work (SOW)

The statement of work defines how the agency will determine that the contract has been satisfactorily completed. The SOW sets a standard for acceptance of the deliverable and establishes a procedure to receive or reject the deliverable based on specific factors. The SOW answers – who, what, when, where, why and how. If these questions are answered, it is a reasonable assumption that the SOW is complete. The success or failure of a contract can usually be linked to the adequacy of the planning, analysis, and thoroughness of the SOW. Time spent planning, analyzing, and drafting the SOW will result in saved time, resources, and money, and will improve the quality of the goods or services provided.

A well prepared SOW will:

- Be clearly defined;
- Be contractually sound;
- Be unbiased and non-prejudiced toward respondents;
- Encourage innovative solutions to the requirements described, if appropriate; and
- Allow for clear, open and constructive communication.

The SOW includes:

- List of services to be performed, actions to be taken by the parties, and/or products to be delivered;
- An unambiguous standard of performance and how performance will be measured.
Performance measures set the level of quality required and expected;
- Deliverables that must be met in order to receive payment;
- Specific deadlines;
- Status report requirements when applicable;
- Consequences for not performing or meeting deliverables;

- Testing and inspection when applicable; and
- Rules for receiving payment.

1.8.1 Department of Information Resources (DIR) SOW Requirements

Submit SOW related to deliverables-based information technology services (DBITS), and managed services for information technology, telecommunications, and cloud services contracts greater than \$50,000 to the DIR for review:

- prior to submission to vendor(s); and
- for DIR approval and signature prior to final execution.

Part 2: Ethical Standards and Conflicts of Interest

It is the policy of the State of Texas that a state officer or state employee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in conflict with the proper discharge of the officer's or employee's duties in the public interest. If an actual violation of these ethical standards occurs or is not disclosed and remedied, the employee involved may be either reprimanded, suspended or dismissed.

State officials and employees are responsible for protecting the safety and welfare of the public's monies. All state officials and employees should endeavor to pursue a course of conduct that does not raise suspicion among the public. Therefore, they must avoid acts, which are improper or give the appearance of impropriety.

2.1 Ethics and CPA Delegated Purchases

In accordance with [34 TAC §20.157](#), "Employees of agencies who perform purchasing functions under delegated authority shall adhere to the same ethical standards required of comptroller employees, and shall avoid all conflicts of interest in their purchasing activities."

2.2 Disclosure of Conflicts of Interest

[Texas Government Code §2261.252](#) states that any employee involved in the development or approval of a contract that has an actual or potential conflict of interest must disclose it and must be removed from involvement in the contract process. All contract approvers, purchasing, and contract staff must sign a "Disclosure and Conflicts of Interest Certification" form (Appendix A).

2.3 Prohibited Financial Interest

[Texas Government Code §2261.252](#) mandates that a state agency may not enter into a contract with a vendor if any of the following Agency employees or officials has a "financial interest" in that vendor:

- Administrative Director
- General Counsel
- Chief Financial Officer (Procurement Director)
- A family member related to an employee or official described above within the second degree by affinity or consanguinity;

A “financial interest” is defined as a state agency employee or official that:

- owns or controls, directly or indirectly, at least 1% in the person, including the right to share in profits, proceeds or capital gains or;
- could reasonably foresee that a contract with the person could result in a financial benefit to the employee or official.
- A “financial interest” prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

2.4 Prohibited Employment

[Texas Government Code §572.069](#) restricts state officers and employees who participated in a procurement or contract negotiation from accepting employment with the vendor for two years after the officer’s or employee’s service or employment with the agency have ceased.

Per [Texas Government Code §2252.901](#) agencies may not enter into employment, professional services, or consulting services contracts with former or retired employees before the first anniversary of the last date on which the individual was employed by the agency if appropriated funds are used to make payments under the contract.

2.5 Misuse of State Information

When non-public information is known because of employment, [Texas Penal Code §39.06](#) makes it illegal for a public servant to use the information for private gain. Violation of this provision is a third degree felony. The information may not be used to:

- Acquire or aid another to acquire a pecuniary interest in any property; transaction or enterprise that may be affected by the information; and/or,
- Speculate or aid another to speculate on the basis of the information.

2.6 Records Tampering

Under [Texas Penal Code §37.10](#), it’s an offense for any person, including a state employee, to:

- Knowingly make a false entry in, or false alteration of, a government record;
- Make, present or use any record or document with the knowledge that it is false and with the intent that it be taken as a governmental record;
- Intentionally destroy, conceal, remove, or otherwise impair a governmental record (unless the destruction is authorized by law); and/or,
- Possess, sell, or offer to sell a governmental record or blank governmental record form with knowledge that it was obtained unlawfully or with intent that it be used unlawfully.

2.7 Staying within the Law

If state officials or employees violate state law, they become individually liable for their actions and may be sued. State appellate courts have ruled as follows:

“An entity or person whose rights have been violated by the unlawful act of a State official may bring suit to remedy the violation or prevent its occurrence, and such suit is not a suit against the State requiring legislative or statutory authorization...In other words, an officer who ventures into an ultra vires act steps beyond the State’s inviolable

mantel, and becomes individually subject to corrective measures. An officer, who acts within the State's laws, stays within that pavilion of immunity."

(Court of Appeals, Eighth District of Texas, Case No. 08-88-0095-CV, October 21, 1988)

This means state employment does not protect an employee from personal liability, if the employee does not follow the law and policies.

Part 3: Purchasing Statutes and Rules

All contracts involving procurements must adhere to the pertinent governing statutes and rules, including:

- CPA's *Procurement Manual*,
- CPA's *Contract Management Guide*,
- CPA's Contract Advisory Team,
- DIR Rules,
- Federal and State Law,
- *General Appropriations Act*,
- Texas Government and Administrative Codes,
- OCA's Purchasing and Contract Management Guide, and
- OCA's Procurement Plan.

Additionally, some purchases require input or oversight from entities such as the Governor's Office of Budget Planning and Policy (GOBPP), the CPA, the Legislative Budget Board (LBB), the State Auditor's Office (SAO), and the Office of the Attorney General (OAG). Generally, OCA's rules, policies and procedures may be more restrictive than federal, state, and oversight agency requirements. However, that is not the case when statute or regulation:

- Preempts the agency requirements; or
- Leaves no room for supplementary regulation.

When there is an apparent conflict between requirements, agency staff must consult with the OCA's General Counsel.

Part 4: Purchasing Training and Certification

4.1 Legal Requirement

[Texas Government Code §2155.078](#) states in part,

"The commission shall establish and administer a system of training, continuing education, and certification for state agency purchasing personnel . . . all state agency purchasing personnel, including agencies exempted from the purchasing authority of the commission, must receive the training and continuing education to the extent required by rule of the commission."

Purchasers who have not received the appropriate training or certification cannot sign particular procurements (refer to the CPA's Training and Certification Requirement chart below). In these cases,

purchasing staff with appropriate certification will review and sign the PO to certify compliance with state purchasing statutes and rules.

In order to retain their positions, all OCA purchasers are required to keep their certification current. New purchasers must obtain their certification within the timeframe specified on their job posting. Purchasers are responsible for attending approved continuing education classes to maintain CPA certification.

4.2 Certification, Renewal, and Continuing Education

Certifications are renewed every 5 years. Certified individuals must obtain 80 hours of continuing education (CE) over a 5-year period with no more than 24 hours in any certification year.

Certification Year – Certification year is one calendar year from the original issue date of your certification.

CPA's Training and Certification Requirements			
Purchasing Authority	Required Training	Experience	Certification Required
Zero to \$25,000.00	Texas Basic Public Purchasing classes (BPP) within their first six-months of employment with the State.	None Required	None Required
\$25,000.01 to \$100,000.00	Texas Basic Public Purchasing classes (BPP) and Advanced (APP) Public Purchasing classes (or have the current equivalent certification from a national purchasing association) and pass the CTP exam.	One Year	Certified Texas Purchaser's (CTP)
Over \$100,000.00 and RFPs	Texas Basic (BPP) and Advanced (APP) Public Purchasing classes and the Texas Cost and Price Analysis, Negotiations, and Contract Administration (CNC) course (or have the current equivalent certification from a national purchasing association) and pass the CTPM exam.	Three Years	Certified Texas Purchasing Manager (CTPM)

Part 5: General Agency Roles and Responsibilities

OCA employees serve a critical role in different phases of the contract lifecycle and may assume more than one role during different lifecycle phases.

The following table outlines the key roles of OCA agency staff during key phases of the contract lifecycle.

OCA Agency Roles and Responsibilities	
Key Function in Contract Lifecycle	Responsible Party
1. Planning & Development: Identify contracting needs, objectives, strategies, timelines, deliverables, performance measures, and contract management needs.	Project sponsor , in consultation with project manager, contract manager, procurement staff, legal counsel, other subject matter experts.
2. Procurement: Follow procurement statutes and rules and fairly select the most qualified contractors.	Procurement staff in consultation with contract manager, project manager, program staff, and legal counsel.
3. Contract Execution: Development contracts that provide best value, and that contain clear measures, terms, and conditions needed to hold contractors accountable for performance.	Contract Manager in consultation with project manager, program staff, contractor, and if needed with procurement staff, legal counsel, and other subject matter experts.

4. Contract Management: Conduct risk assessments, develop monitoring plans, effectively monitor outcomes to enforce contract requirements and terms, file maintenance, record keeping, and payment approval.	Contract Manager in consultation with project manager, program staff, contractor, and if needed with procurement staff, legal counsel, and other subject matter experts.
5. Contract Termination and Closeout: Conclude the contract, complete the contract management file, and report on the contractor's performance.	Contract Manager in consultation with project manager, program staff, monitoring staff, contractor, procurement staff, and if needed with, general counsel, and other subject matter experts.

Part 6: Purchasing Procedures

The purchase process begins when a purchase requisition (PR) for a commodity or service is submitted in CAPPs with any necessary background information. The requisition is routed for approvals per the Agency's CAPPs Requisition Workflow (Appendix B). Once fully approved, purchasing staff will determine the appropriate procurement method referenced in [Section 2.4](#) of the CPA's *Procurement Manual*.

If the requirements, specification(s), or SOW meet the criteria for any of the following, the purchasing staff will utilize the procedures found in the stated section of the CPA's *Procurement Manual*:

- Emergency purchase – [Section 2.12 Emergency Purchases](#),
- Sole source/proprietary purchase – [Section 2.15 Proprietary Purchases](#),
- Professional & Consulting services – [Section 2.14 Professional and Consulting Services](#), or
- Telecommunication services – [Section 2.11 Purchase of AIS/Telecommunications](#).

If the commodity or service requested does not meet the above criteria, the following procurement methods are given priority:

- [Council on Competitive Government \(CCG\) contract](#),
- [TIBH Industries, Inc.](#),
- [Texas Correctional Industries \(TCI\)](#),
- [DIR contract](#),
- [TxSmartBuy Term Contract](#),
- SPD Managed Contract, or
- [Texas Multiple Award Schedule \(TXMAS\) contract](#).

If the commodity or service is not available through a purchasing method listed above, OCA may proceed with a competitive bid/open market purchase.

- The CPA's Open Market Informal Solicitation will be utilized for commodities and services greater than \$5,000 but not greater than \$25,000. Purchases that do not exceed \$5,000 do not have to be competitively bid.
- The CPA's Open Market Formal Solicitation will be used for agency-administered purchases of services greater than \$25,000 and for commodities if delegated by SPD or through statutory authority specific to the OCA.

When contracting for services or using contracted workforce, OCA staff should consider the goals and objectives; current staff skills and expertise; costs and productivity; type and nature of services needed;

and volume and timeframe needed. Employee productivity, expertise, and skills should be analyzed to determine the cost-effectiveness of hiring a contractor to perform a service.

6.1 Historically Underutilized Business (HUB) Program

OCA will make a good faith effort to achieve the HUB goals established for the agency, as published in the Agency's Strategic Plan. For all open market solicitations, OCA utilizes the CMBL maintained by the CPA to notify vendors about the Agency's solicitations for commodities or services.

6.2 System for Award Management (SAM) and Debarred Vendor List

OCA should not conduct business with vendors who have been debarred by the SAM or the CPA's Debarred Vendor List. SAM identifies vendors excluded throughout the U.S. Government (unless otherwise noted) from receiving federal contracts or certain subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. SAM must be checked prior to any initial contract or renewal being made by the OCA. SAM is maintained by the General Services Administration online at <https://www.sam.gov/>.

6.3 Printing Services

For printing services with an estimated value of \$1,000 or more, first priority must be given to the TCI Print Shops and CCG State Approved Print Shops. The [CCG on-line portal](#) must be used to submit a print shop job request form. If OCA receives no responsive bids from a state print shop or if purchasing staff along with the project sponsor for the printing job determine that, after performing the bid evaluation, the best value would be achieved through a private sector vendor, the purchaser may use the informal bid process outlined below. A description of print service that are estimated to exceed \$25,000 must be sent to SPD for review. OCA will follow SPD's instructions on the procurement process in this circumstance.

See CPA's [Procurement Manual Section 2.16 Printing and Copying Services](#), [Contract 966-B1](#), and [CCG Printing Services Procedures Guide](#) for additional details.

6.4 Informal Bid Process

The purchase process begins when a PR for a commodity or service is submitted in CAPPS with any necessary background information.

1. The assigned purchaser will request a bid from a minimum of three (3) vendors in the appropriate county, city, or district that may be able to provide the required good or service. At least two (2) of the contacted vendors must be a certified HUB listed on the SPD's CMBL.
2. Upon receipt of bids, the purchaser should consult with the requester to evaluate bids submitted, to determine the selection of a vendor, and to document the decision.
3. The purchaser must verify that the selected vendor is not debarred from conducting business with the federal government on SAM and with the state on the CPA's Debarred Vendors List.
 - a. If the vendor is in good standing, the purchaser issues a PO for the commodity or service. Unless a contract is necessary, then the Legal division must first be involved. The legal staff will route a contract to divisions for approval according to the OCA Contract Coversheet. The purchaser will issue a PO after a fully executed contract has been received by FAO. If not already attached, the purchaser must attach a fully executed contract in CAPPS.

4. If applicable, the Purchaser must follow requirements for LBB Contract Reporting and SB20 Reporting on the agency's webpage.

6.4.1 Informal Bid Procurement File

The procurement file includes all documents uploaded in CAPPs and attached to the requisition, PO, receipt, and contract. This should include when applicable: bid responses, bid tabulation form, SAM printout, emergency notification letter, and proprietary justification letter.

6.5 Formal Bid Process

The purchase process begins when a PR for a commodity or service is submitted in CAPPs with any necessary background information.

1. The purchaser determines the best procurement method to use after considering all of the requirements for the commodity or service. The purchaser works with the requester to obtain a SOW for a service or a detailed description of a commodity.
2. For a Request for Proposal (RFP) or an Invitation for Bid (IFB), the purchaser assigns the anticipated PO number (based on CAPPs requisition number) to identify the procurement opportunity. The purchaser should work with the requester to complete a timeline for the procurement process, including evaluation of proposals that are submitted.
3. For commodities estimated to cost in excess of \$25,000 and services estimated to cost in excess of \$100,000, the Purchaser must provide the specifications for a commodity or statement of work for a service to SPD to obtain delegated authority for the agency to proceed with advertising the solicitation on its own. If purchasing authority is not delegated to the agency on a particular procurement, the agency's responsibilities will continue at #7 below.
4. Using the IFB or RFP template, the purchaser develops a draft of the procurement document with applicable items including a scope of work, deliverables, evaluation criteria, control number, project timeline, renewal options, and any recommended changes to standard provisions. The draft should be reviewed by the requesting division and the Legal division.
5. Upon approval of division and Legal, the purchaser must submit the posting to the Electronic State Business Daily (ESBD).
6. The purchaser will contact at least three (3) CMBL vendors in the appropriate category to allow them the opportunity to bid on the commodity or service. The Purchaser will notify all of the designated HUB vendors in the appropriate category on the CMBL list.
7. The requester shall recruit members of the evaluation team among OCA staff or stakeholders. Each evaluation team must have at least three (3) members.
8. OCA staff and stakeholders must sign a "Disclosure and Conflicts of Interest Certification" form before serving on the evaluation team.
9. The evaluation team must complete a written evaluation of each bid submitted in response to the solicitation to determine the selection of a vendor for the commodity or service.
- ~~10. The Staff Attorney must obtain written certifications of no financial interest from Oversight Committee members, the Chief Executive Officer, the General Counsel, the Chief Operating Officer, and the Purchaser before the agency can proceed with finalizing a contract or PO.~~
11. The purchaser must verify that the selected vendor is not debarred from conducting business with the federal government on SAM and with the state on the CPA's Debarred Vendors List.

- a. If the vendor is in good standing, the purchaser issues a PO for the commodity or service. Unless a contract is necessary, then the Legal division must route a contract to divisions for approval according to the OCA Contract Coversheet. The purchaser will issue a PO after a fully executed contract has been received by FAO. If not already attached, the purchaser must attach a fully executed contract in CAPPS.
12. If applicable, the Purchaser must follow requirements for LBB Contract Reporting and SB20 Reporting on the agency's webpage.

6.5.1 Formal Bid Procurement File

The procurement file is all documents uploaded in CAPPS and attached to the requisition, PO, receipt, and contract. This should include, when applicable: Open Market Requisition, specifications, ESDB solicitation posting printout, ESDB award posting printout, evaluation matrices and summary sheet, non-disclosure forms, solicitation announcement, bid list, bid tabulation form, SAM printout, emergency notification letter, and proprietary justification letter.

6.6 Commodity Purchases for Technology Purchases

Commodities utilizing DIR contracts are defined to include hardware, software and services. Thresholds are:

- \$50,000 or less may be awarded directly to DIR vendor;
- \$50,000 to \$150,000 - at least three (3) DIR vendors must be solicited for pricing, if available;
- \$150,000 to \$1 million, at least six (6) DIR vendors must be solicited for pricing, if available; and
- \$1 million or greater – Agencies are required to conduct their own solicitation process in accordance with all other applicable state procurement requirements.

6.7 Sole Source/Proprietary Purchases

To initiate a non-competitive sole source or proprietary purchase of \$5,000 or more, each division must submit a requisition and attach a "Proprietary Justification" form (Appendix), which must be signed by the division director and AD. Prior to purchasing, all appropriate approvals must be documented and attached to the CAPPS requisition.

- A proprietary product or service is manufactured or offered under exclusive rights of ownership, including rights under patent, copyright, or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic which is not shared or provided by competing or similar products or services.
- A sole source purchase is a purchase that is directed to a specific vendor, even though the goods and services may be available from other vendors. A sole source procurement must be directed to a single vendor for a valid reason.

All sole source and proprietary awards over \$25,000 must be posted to the ESBD. In addition, all sole source and proprietary purchases over \$100,000 must be sent to the CPA for approval.

6.8 Emergency Purchases

For purposes of this section, an emergency purchase is \$5,000 and arises in a situation requiring a state agency to make the purchase as quickly as possible in order to:

- Prevent a hazard to life, health, safety, welfare, or property, or

- Cause undue additional cost to the state.

Notwithstanding the immediate nature of an emergency, all procurements conducted as emergencies should be made as competitive as possible under the circumstances. If an emergency exists, a written determination of the basis for the emergency and for the selection of a particular contractor shall be attached to the CAPPS requisition.

Emergency purchases of goods and services should not exceed the scope or duration of the emergency. It is the responsibility of the division to notify purchasing and legal staff immediately if the OCA needs to acquire and/or negotiate an emergency contract. ~~The division must additionally complete an "Emergency Requisition Justification" form (Appendix), which must be approved by the division director and the AD.~~

Part 7: Risk Assessment and Management

OCA will complete a risk assessment to evaluate whether enhanced contract or performance monitoring may be required for contracts with a value estimated to be greater than \$150,000. For contracts of a lesser value, OCA may complete a risk assessment to evaluate whether enhanced contract or performance monitoring is indicated.

The Agency uses a Risk Assessment Matrix (RAM) (Appendix C) tool to analyze contracts for areas of risk (e.g., the potential for loss, harm, or damage that may occur due to errors or problems associated with vendor's performance). Based upon the classification of risk (as low, moderate, high, or extremely high), the contract may require enhanced levels of monitoring. This assessment is completed to anticipate risks, mitigate or manage risks, and avoid or transfer risk in order to protect the Agency.

This tool should be used prior to: 1) awarding contracts from RFP/RFO proposals; 2) entering into new contracts with vendors; and 3) renewing existing contracts.

Risk factors are indicators that determine the risk of the contract or of project objectives not being met. The risk factors included in the RAM include:

- Total cost;
- Type of contract purchase;
- Impact to the public or Agency;
- Impact on the Agency's mission;
- Vendor's experience with the Agency;
- Vendor's compliance history;
- Stability and experience of vendor's key management;
- Vendor's number of years in business;
- Time constraints;
- Deliverables;
- Audit results; and
- Experience of Agency procurement and/or contracting staff.

Additional risk factors should be added when appropriate for the particular contract.

No objective or mathematical formula can be used to completely assess the risk imposed by a particular contract; risk is determined subjectively.

Risk management is an ongoing process. Therefore, risk should be reviewed and re-evaluated by the contract manager on a continual basis until the contract is fully performed and final payment is made. For ongoing contracts, the RAM should be completed at least annually and when risk conditions undergo a substantial change (e.g., vendor's management or ownership changes).

This procedure does not apply to a memorandum of understanding, IAC, inter-local agreement, or a contract for which there is not a cost.

Part 8: Contract Administration

Contract administration and oversight includes seven general processes:

1. Planning
2. Contract Monitoring
3. Change Management
4. Payment Approval
5. Dispute Resolution
6. Termination
7. Contract Closeout

8.1 Planning

Planning begins with drafting a statement of work. Procedures for contract administration must be described in OCA's solicitation document. After OCA's contract is executed, planning activities must focus on general administrative activities including; but not limited to, contract amendments management by documenting any contract scope, schedule, and/or payment changes. Another central activity is advance coordination and scheduling of resources to assist in performance of contract administration processes.

8.2 Contract Monitoring

Contract monitoring ensures effective and efficient contract performance in accordance with contract terms and conditions. The type of contract monitoring required is dependent on the dollar value, complexity, or risk level associated with the contract.

8.2.1 Enhanced Monitoring

Enhanced monitoring is an increased level of monitoring beyond the regular contract monitoring normally used. State agencies are required to utilize an enhanced monitoring method for high dollar and high risk contracts. Such increased monitoring may include, but is not limited to: frequency of site visits, provider meetings, and documentation requirements deemed necessary to assess progress of the contractor toward meeting the identified goals and outcomes established in response to assessments of unsatisfactory performance in accordance with this procedure.

Under [Texas Government Code §2261.253 \(c\)](#) each state agency shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on

the contract to the agency's governing officer. The agency's procurement director shall immediately notify the agency's governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection.

8.2.2 Contracts More Than \$1 Million

Under [Texas Government Code §2261.254](#), for all contracts over \$1 million, the Agency shall develop and implement contract reporting requirements that provide information on:

- Compliance with financial provisions and delivery schedules under the contract;
- Corrective action plans required under the contract and the status of any active correction plans; and
- Any liquidated damages assessed or collected under the contract.

The Agency shall verify the accuracy of any information reported by a contractor and the delivery time of goods and services.

Per General Appropriations Act, Article IX, Section 7.12 requirements, the Agency must provide 10 business days' notice to the LBB before payment on any contract that is over \$1 million that was awarded outside of the competitive process or as an emergency contract. This notice includes a certification, in the form prescribed by the LBB, from the AD that the purchase complied with the contract management guide, procurement manual, and applicable statutes.

8.2.3 Contracts More Than \$5 Million

Under [Texas Government Code §2261.255](#), for all contracts over \$5 million, the procurement director must:

- Verify in writing that the solicitation and purchasing methods and contractor selection process comply with state law and Agency policy; and
- Submit to the Agency's governing official information on any potential issue that may arise in the solicitation, purchasing, or contractor selection process.

8.2.4 Contracts More Than \$10 Million

Under [Texas Government Code §2262.101](#), a "state agency" must submit to the Comptroller's Contract Advisory Team all solicitations expected to result in contracts valued at \$10 million and greater. The contract value is determined without regard to source of funds or payment mechanism. The solicitation must be submitted to the advisory team before being posted. Judicial agencies are excluded from the definition of a "state agency" in [Texas Government Code §2262.101](#). Therefore, the OCA is not required to adhere to this requirement but may choose to do so at the request of the agency's AD.

Per General Appropriations Act, Article IX, Section 7.12 requirements, the Agency must provide 10 business days' notice to the LBB before a payment is made on any contract over \$10M. This notice will include a certification, in the form prescribed by the LBB, from the AD that the purchase complies with the contract management guide, procurement manual, applicable statutes or what alternative process was used and the name of the person directing that process.

8.3 Change Management

Modifications made to any contract are done so through an amendment agreed to and signed by both parties. Contract amendments are required to be associated with the original contract and subject to the competitive process, if required, underlying the original contract.

Substantive changes that require a contract amendment may include, but are not limited to, the following changes:

- Price
- Delivery schedule (term)
- Quantity
- Scope
- Terms and Conditions

8.4 Payment Approval

Accounts payable (AP) staff will submit an internal memo along with a copy of the invoice to the contract manager or division director to request approval of payment and delivery acceptance of the good or service. The approval should be returned to AP within 15 days of the date-stamped on the invoice or notify the AP that there are questions related to the invoice that have to be addressed before it can be approved. Prompt Payment Law requires an agency to notify a vendor within 21 days of receipt of invoice of any dispute.

8.5 Dispute Resolution

Dispute resolution is covered by [Texas Government Code §2260](#). The goal of any dispute resolution process is to resolve problems at the lowest level as promptly as possible to keep the contract on a successful path. Many concerns can be resolved with good communication and informal tools. To avoid escalation and to ensure that the OCA does not exacerbate potential problems, it is imperative that OCA staff respond promptly to all contractor inquiries. Initial steps to be taken are:

- Identify the problem. Many times what may appear to be a problem can be resolved by providing the contractor with information or clarification.
- Research facts. The OCA should obtain all the information regarding the potential problem from all relevant sources, including the project manager and the contractor.
- Notify the Contractor of the issues in accordance with the established communication plan. Specify the contract requirement or term that is of concern.
- Request a response from the Contractor. Be specific about the type of response that may be needed (either action or correspondence) and set a reasonable deadline.
- Evaluation. The OCA shall review all of the facts in conjunction with the requirements and terms and conditions of the contract. The OCA shall then determine the appropriate course of action.

You may need to communicate several times or using different methods to fully identify the issue and fully inform the contractor. You may progress through phone calls, emails, formal demand letters and in-person meetings to escalate both attention and importance to the issue. It is important to note that as you escalate an issue with the contractor that you also escalate the issue through the management chain of both the OCA and the contractor's company. In addition, it is important to notify the agency's General Counsel, the Chief Financial Officer, and the purchasing department of the unresolved issues.

Proper dispute resolution is a core skill of successful contract management. Identification of problems early in the performance period, effectively communicating and formalizing the process in writing via a cure notice procedure or less formal written procedure is essential. A contract termination is a failure by BOTH parties to a contract. Termination is a last resort.

8.6 Termination

When a contract is terminated, the parties are relieved from further performance with the agreed terms and conditions. A contract may be terminated under two distinct processes: (1) Termination for Convenience; and (2) Termination for Default.

8.6.1 Termination for Convenience

A termination for convenience, also known as a “no-fault” termination, allows the OCA to terminate any contract in its sole discretion, in whole or in part and at any time, if it is determined that such termination is in the best interest of the OCA.

- The OCA will provide the contractor with written notice specifying whether the OCA is terminating all or part of the contract. The notice of termination shall give the date of termination. If the contract is being selectively terminated, the OCA shall specify which part(s) of the contract are being terminated.
- A termination notice shall be issued which includes wording similar to:
 - *Pursuant to Section____, Termination, this contract is hereby terminated effective [date]. [Contractor name] is directed to immediately stop all work, terminate subcontracts, and place no further orders.*

In accordance with this Notice of Termination, you shall:

- Keep adequate records of your compliance with this notice, including the extent of completion on the date of termination.
- Immediately notify all subcontractors and suppliers, if any, of this Notice of Termination.
- Notify the any of OCA’s divisions that may be adversely affected by this Termination of any and all matters; and
- Take any other action required by the OCA to expedite this Termination.

The contractor will generally be paid for allowable costs incurred up to the termination. The OCA will not be liable for payment to the contractor related to the terminated portion of the work or any work performed or costs incurred after the effective date of termination.

Upon receipt of any invoice from the contractor for work performed prior to the Notice of Termination, the OCA shall thoroughly review the invoice to ensure that no excessive costs are included.

8.6.2 Termination for Default

A contract may be terminated for default when the OCA concludes that the contractor failed to perform, make progress, or in any way breached the contract. The Agency is not required to terminate a contract even though the circumstances permit such action. The OCA may determine that it is in its best interest to pursue other alternatives. Examples of such alternatives include extending the delivery or completion date, allowing the contractor to continue working or working with the contractor’s surety to complete the outstanding work.

Termination for default will be used as last resort and not as punishment. The purpose of a termination for default is essentially to protect the interests of the OCA while obtaining the necessary goods or services from another source.

Factors to consider prior to making a termination for default decision include:

- Whether the OCA has done everything within reason to assist the contractor in curing any default.
- The provisions of the contract and applicable regulations.
- The specific contractual failure(s) and the explanation provided for the failures.
- The urgency of the need for the contracted supplies or services. The OCA may need to weigh the respective benefits and/or disadvantages of allowing a delinquent contractor to continue performance or resoliciting a new contractor.
- The availability of the supplies or services from other sources and the time required to obtain them (compared to the additional time the current contractor needs to complete the work).
- Availability of funds and/or resources to re-procurement in the event such costs cannot be recovered from the delinquent contractor. Under a termination for default, the OCA is within its rights to demand re-procurement costs from the defaulting contractor. Nevertheless, the contractor may not be financially capable to finance the re-procurement or such demand may result in protracted legal action.

If a contractor is terminated for default, the contractor is liable for actual damages and costs incurred by the state unless the contract states otherwise.

8.6.2.1 Excusable Causes

A contract may not be terminated for default when the failure to perform is due to excusable causes. To qualify as an excusable cause, the cause must be beyond the control and without the fault or negligence of the contractor. Such excusable causes include but are not limited to:

- Acts of God or of the public enemy
- Acts of the OCA
- Fires
- Floods
- Epidemics
- Strikes
- Freight embargos
- Unusually severe weather*

**Severe weather, although beyond the contractor's control, will not generally constitute an excusable delay if it is not considered "unusually severe weather". For example, a snow storm in Amarillo in February would not be considered unusual, while it would be considered unusual in Austin. On the other hand, a snow storm in Amarillo in June would be unusual.*

To qualify as an excusable cause when the contractor's failure to perform is due to the default of a subcontractor, the default must arise out of causes beyond the control and without the fault or negligence of both the contractor and the subcontractor. Even if this requirement is met, the cause will

not be excusable if the supplies or services to be provided by the subcontractor could have been obtained from other sources in time to meet the contract delivery schedule.

8.6.2.2 Termination for Default Notifications

Prior to terminating a contractor for default, a cure notice shall be sent to the contractor. A cure notice is a letter provided to the contractor that provides them a period of time, usually 10 days, to correct or “cure” the deficiency or violation.

8.6.2.3 Cure Notice

The format for a cure notice may be as follows:

- [contractor name] is notified that the OCA considers [specify failures] a condition that is endangering performance of the contract. Therefore, unless this condition is cured within ten (10) days from the date of this letter, the OCA may terminate for default under the terms and conditions of the Termination clause of this contract.

Another format for a cure notice is:

- Since [contractor name] has failed to perform the above referenced contract within the time required by its terms, the OCA is considering terminating the contract under the provisions for default. Pending a final decision in this matter, it will be necessary to determine whether your failure to perform arose from causes beyond your control and without fault or negligence on your part. Accordingly, you are given the opportunity to present, in writing, any facts bearing on the questions to [OCA’s point of contact] within ten (10) days from the date of this notice. Your failure to present any excuses within this time may be considered as an admission that none exist.

Any assistance given to you on this contract or any acceptance by the OCA of delinquent goods or services will be solely for the purpose of mitigating damages, and it is not the intention of the OCA to condone any delinquency or to waive any rights the OCA has under the contract.

8.6.2.4 Notification of Termination

If the contractor fails to cure the situation or provide a satisfactory explanation as requested, the contract may be terminated. The Notice of Termination shall contain the following:

- The contract number, if any, and date of contract;
- The effective date of termination;
- Reference to the clause under which the contract is being terminated;
- A concise, accurate statement of the facts justifying the termination; and
- A statement that the supplies or services being terminated may be re-procured and that the contractor will be held liable for any additional costs incurred due to the re-procurement. Before including this statement, the contract shall be reviewed to determine whether the right is available under the contract.

8.7 Contract Close-Out

The purpose of contract close-out is to verify that both parties to the contract have fulfilled their contractual obligations. Pursuant to [Texas Government Code §2155.089](#) contracts over \$25,000 are reported into the CPA's Vendor Performance Tracking System (VPTS).

Part 9: Records Retention

The following records retention schedule will be followed for all OCA contracts and agreements:

1. Contracts and POs executed, renewed or amended on or after 9/1/2015 will be retained for a period of seven (7) years after the contract expires, terminates, or is completed or until any litigation issues are resolved.
2. Contracts and POs executed, renewed or amended before 8/31/2015 will be retained for a period of four (4) years after the contract expires, terminates, or is completed or until any litigation issues are resolved.

******* Part 10 and Part 11 under construction. *******

Part 10: Reporting Requirements

Part 11: Useful Purchasing Links

Appendices

[Appendix A Disclosure and Conflicts of Interest Certification Form](#)

[Appendix B CAPPs Requisition Workflow Chart](#)

[Appendix C Risk Assessment Matrix](#)



DISCLOSURE AND CONFLICTS OF INTEREST CERTIFICATION

Per Texas Gov't Code §2155.003, 34 TAC §20.157, and the State's Contract Management Guide

Purchasing personnel using delegated authority may not have an interest in or in any manner be connected with a contract or bid for a purchase of goods or services by an agency of the state; or in any manner, including a rebate or gift, accept or receive from a person to whom a contract may be awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation. Any individual who interacts with public purchasers in any capacity is required to adhere to the guidelines established in Section 1.2 of the Comptroller's Procurement Manual which outlines the ethical standards required of public purchasers, employees, and vendors who interact with public purchasers in the the conduct of state business.

Per Texas Gov't Code §2261.252

An Office of Court Administration (OCA) employee or official who is involved in procurement or in contract management for OCA must disclose to OCA any potential conflict of interest specified by state law or agency policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by OCA.

OCA may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials have a financial interest: (1) a member of the agency's governing body; (2) the governing official, executive director, general counsel, chief procurement officer, or procurement director of the agency; or (3) a family member related to an employee or official just listed in (1) or (2) within the second degree by affinity or consanghinity.

Per Texas Gov't Code §572.069

A former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contracat negotiation involving a person may not accept employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.

Certification Section

By signing this document, I certify:

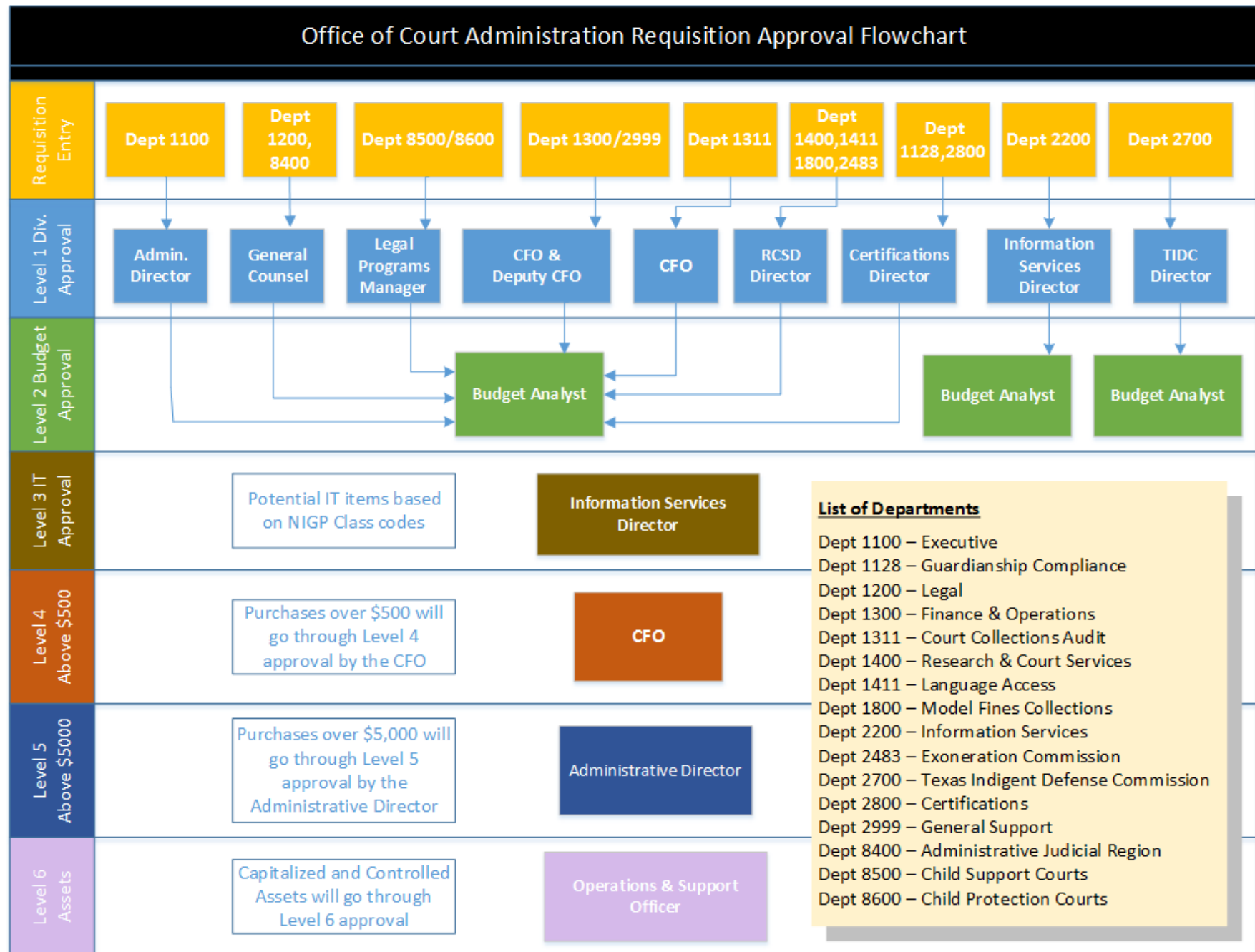
- I have read and understand the statements above.
- I have disclosed any potential conflict of interest specified by state law or agency policy.
- I will continue to disclose any potential conflicts of interest specified by state law or agency policy.
- I have no financial interest in any private vendor that OCA has a current contract with.

Employee Signature

Printed Name

Date

Appendix B



Appendix C

Risk Assessment Matrix (RAM): This tool should be completed for each new solicitation; however, risk should continue to be assessed on an ongoing basis throughout the contract period. A new RAM should be completed when risk conditions undergo a substantial change (e.g., contractor's management or ownership changes). Contract management and monitoring activities should be adjusted to focus on the riskiest contractors during the entire contract period.

RAM Table 1. Evaluation Criteria

Risk Factor	Risk Level LOW: 1	Risk Level MEDIUM: 2	Risk Level HIGH: 3	Risk Level EXTREMELY HIGH: 4
Total Cost	< \$25K	>= \$25K but < \$100K	>= \$100K but < \$1 million	> \$1 million
Type of Contract Purchase	Interagency, MOU, Inter-local	Contract Less than 25K	Consulting, Emergency, Sole Source, Proprietary, or Construction >\$25K	Major information technology purchases and leases
Impact to the Public or Agency	No impact to the public or agency	Minimal impact to the public or agency	Some impact to the public or agency	High impact to the public or agency
Agency Mission	Contract services are not critical to OCA's mission	Contract services are moderately essential to OCA's mission	Contract services are critical to OCA's mission	Contract services are critical to OCA's mission
Agency Experience	OCA previously awarded four or more similar contracts	OCA previously awarded two to three similar contracts	OCA previously awarded one similar contract	OCA has never awarded a similar contract
Compliance History	No issues of non-compliance	Moderate instances of non-compliance	Substantial finding of non-compliance	Substantial finding of non-compliance – never contracted with OCA
Stability & Experience of Vendor's Key Management	No recent change and significant experience	No recent change, but not significant experience; or recent change but significant experience	Recent change and not significant experience	Recent change and less than 1 year of experience
# of Years in Business	More than 5 years	3 to 5 years	1 to 3 years	Less than 1 year
Performance Measures	Contract contains multiple defined & measurable performance measures	Contract contains at least one clearly defined or measurable performance measure	No performance measures included in contract	No performance measures included in contract
Time Constraints	Will be completed in less than 3 months	Will be completed within 3 to 6 months	Will be completed within 6 months to 1 year	Will be completed in 1 year or longer
Deliverables	Contract contains multiple deliverables that are clearly defined	Contract contains at least one clearly defined deliverable	No deliverables included in contract	No deliverables included in contract
Audit Results	No audit required or no issues or findings in audit(s)	Moderate issues or findings in audit(s)	Substantial issues or findings in audit(s)	Substantial issues or findings in audit(s)
Experience of Agency Staff	Staff has worked on four or more similar projects	Staff has worked on two or three similar projects	Staff has worked on one similar project	Staff has never worked on projects of this type

RAM Table 1A. Evaluation Table

Project Name:	
Factor	Score
Total Cost	
Type of Contract Purchase	
Impact to the Public or Agency	
Agency Mission	
Agency Experience	
Compliance History	
Stability & Experience of Vendor's Key Management	
# of Years in Business	
Performance Measures	
Time Constraints	
Deliverables	
Audit Results	
Experience of Agency Staff	
	Overall Score:
NOTES:	

RAM Table 2. Matrix (Use the scores provided in Table 1A to determine the level of risk.)

Risk Level		Point Range	Description
Extremely High Risk	E	43 – 52	Projects include unexpected levels of risk, including critical issues that are likely to occur if the contract is not properly managed. Programs must consider possible contract risks, document and include them in the contract management plan and determine how risk will be monitored.
High Risk	H	29 – 39	Projects contain potentially serious risks that may occur. The contract management plan must include language that ensures proactive strategies to reduce risk and the method of monitoring the risk.
Moderate Risk	M	15 – 26	Projects contain some level of risk that may occur. The program should consider if a contract management plan is required. If contract management plan is not required, the PCC will identify and document with an explanation of how risks will be managed. This information will be maintained with the PCC documentation.
Low Risk	L	0 – 13	Projects contain minimal risks and are unlikely to occur. Programs can proceed with contracting as planned.